

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA**

AURORA COOPERATIVE ELEVATOR
COMPANY, a Nebraska corporation,

Plaintiff,

v.

THE COOPERATIVE FINANCE
ASSOCIATION, INC., a Kansas and Missouri
corporation,

Defendant.

Case No.: 8:10-cv-294

**DEFENDANT'S ANSWER AND
AFFIRMATIVE DEFENSES**

Defendant The Cooperative Finance Association, Inc. ("CFA"), for its answer to the Complaint, filed by Plaintiff Aurora Cooperative Elevator Company ("Aurora"), admits, denies, states, and alleges as follows:

THE PARTIES

1. CFA lacks sufficient knowledge or information as to the allegations of Paragraph 1 of the Complaint, and therefore denies the same.

2. CFA admits the allegations in Paragraph 2 of the Complaint.

3. With regard to Paragraph 3, venue is proper in this Court because this is the district and division embracing the county where the removed state court action was previously pending.

FACTUAL BACKGROUND

4. With regard to Paragraph 4, it is admitted that CFA is an agricultural finance cooperative based in Kansas City, Missouri, and that Aurora is a Class B stockholder of CFA and by virtue of its Class B shares is a nonvoting associate member of CFA. The remainder of the allegations contained in Paragraph 4 are denied.

5. With regard to Paragraph 5, it is admitted that CFA provides certain financial products and services to certain entities. The remainder of the allegations of Paragraph 5 are denied.

6. With regard to Paragraph 6, it is admitted that CFA's products and services include a product known as the Input Finance Program. The remainder of the allegations of Paragraph 6 are denied.

7. With regard to Paragraph 7, it is admitted that Aurora requested to participate in the Input Finance Program and that CFA communicated by letter dated February 3, 2010 that it had declined Aurora's request due to trade territory conflicts. The remainder of the allegations of Paragraph 7 are denied.

8. Paragraph 8 is denied.

9. Paragraph 9 is denied.

10. Paragraph 10 is denied.

FIRST CLAIM FOR RELIEF

11. CFA incorporates its responses to Paragraphs 1 through 10 above as if fully set forth here.

12. Paragraph 12 is denied.

13. Paragraph 13 is denied.

14. Paragraph 14 is denied.

SECOND CLAIM FOR RELIEF

15. CFA incorporates its responses to Paragraphs 1 through 14 above as if fully set forth here.

16. Paragraph 16 is denied.

17. Paragraph 17 is denied.

18. Paragraph 18 is denied.

THIRD CLAIM FOR RELIEF

19. CFA incorporates its responses to Paragraphs 1 through 18 above as if fully set forth here.

20. Paragraph 20 is denied.

21. Paragraph 21 is denied.

22. Paragraph 22 is denied.

FOURTH CLAIM FOR RELIEF

23. CFA incorporates its responses to Paragraphs 1 through 22 above as if fully set forth here.

24. Paragraph 24 is denied.

25. Paragraph 25 is denied.

26. CFA denies each and every allegation set forth in the Complaint except those allegations admitted herein.

AFFIRMATIVE DEFENSES

27. Plaintiff's Complaint fails to state a claim upon which relief may be granted.

28. Plaintiff's claims are barred by the doctrines of laches, waiver, and estoppel.

29. Plaintiff's claims are barred by the applicable statute of limitations.

30. Plaintiff's factual contentions and legal claims are without evidentiary support and not warranted by existing law, and, therefore, constitute frivolous pleadings under Rule 11 of the Federal Rules of Civil Procedure.

31. CFA reserves all affirmative defenses under Rule 8(c) of the Federal Rules of Civil Procedure and any other defenses, at law or in equity, that may now exist or in the future be available based on discovery and further factual investigation in this case.

REQUEST FOR RELIEF

WHEREFORE, CFA respectfully requests that the Court dismiss the Plaintiff's Complaint, with prejudice, an award of attorneys fees and costs, and such other and further relief as the Court deems just and appropriate.

DATED this 11th day of August, 2010.

THE COOPERATIVE FINANCE ASSOCIATION,
INC., Defendant

By: /s/ Donald P. Dworak
Donald P. Dworak, #21710
STINSON MORRISON HECKER LLP
1299 Farnam Street, Suite 1500
Omaha, NE 68102
Phone: (402) 342-1700
Fax: (402) 829-8708
ddworak@stinson.com
Attorneys for Defendant

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing document was duly served on the Court's CM/ECF system this 11th day of August, 2010, which sent notice to all recipients.

/s/ Donald P. Dworak
Donald P. Dworak